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DETERMINANTS OF CORPORATE SOCIAL RESPONSIBILITY IN LISTED COMPANIES

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Abstract

The obligation of corporate social responsibility disclosure is growing up from Indonesian ordinance UU No. 40 Year 2007 as required for listed companies for philantrophy and as part of legitimacy act. Based on the requirements, this research conducted to determines empirically the hypothesis of factors that affect disclosure for companies listed in Stock Exchange in 2014 and 2015 using framework GRI G4 as disclosure measurement. The quantitative findings, using regression analysis test and data compliance in model classic assumption test for 22 listed company member of sustainability reporting, showed current ratio, debt to equity, size, institutional ownership and age have significant effects.
Keywords: *Accounting, Corporate Social Responsibility, Legitimacy Theory, Empirical Study, Eviews 8*

Abstrak

Kewajiban pengungkapan tanggung jawab social perusahaan tumbuh dari Undang-undang No. 40 Tahun 2007 yang dipersyaratkan oleh perusahaan sebagai sumbangan dan bagian dari tindakan legitimasi. Berdasarkan persyaratan, penelitian ini dilakukan untuk menentukan secara empiris hipotesis mengenai faktor-faktor yang mempengaruhi pengungkapan bagi perusahaan yang terdaftar di Bursa Efek pada tahun 2014 dan 2015 dengan menggunakan framework GRI G4 sebagai pengukuran pengungkapan. Temuan kuantitatif, dengan menggunakan uji analisis regresi dan pemenuhan data dalam model uji asumsi klasik untuk 22 anggota perusahaan yang terdaftar dalam pelaporan keberlanjutan, menunjukkan rasio lancar, *debt to equity* ukuran, kepemilikan publik dan umur memiliki hubungan signifikan.
Kata Kunci: Akuntansi,Tanggung Jawab Sosial Perusahaan, Teori Legitimasi Studi Empiris, Eviews 8

INTRODUCTION

In a global context, the term Corporate Social Responsibility (CSR) began to be used since 1970 and became more popular after the book Cannibals with Forks: The Triple Bottom Line for 21st Century Business by Elkington's (1997) in Berkovics (2010) and Jeurissen R. (2000), that developed three important developmental Sustainable (sustainable development), namely economic growth, environmental balance and social balance by the World Commission on Environment and Development (WCED). According to Gakenia (2011), about the three aspects of WCED are the economic development that meet the needs of the present without compromising the ability of the future generations to meet to meet their needs is the business ethical dimension of the firm and it focuses on promotion of good and interests both for the individuals within it and those it interacted with. This business ethics is the foundation of CSR practice in organization.

Research conducted by SWA Magazine archives 2014 founded that CSR as one of the most (average of 30%) concept applied by company in strategic level in Indonesia. In Constitution Law No. 40 of 2007 on chapter 5 of article 74 on social and environmental responsibility, it is stated that the Company, which carries out its business activities in the field and or related to natural resources shall be obligated to carry out the Social and Environmental Responsibility.

The corporate actions which is part of company's operational activities doesn't always implement of social responsibility. Some of the cases that have occurred in Indonesia such as the Newmont case in Buyat Bay, the conflicts of Freeport Indonesia with the Papua Indonesian people, the conflict between the people of Aceh and Exxon and the Lapindo Brantas case in Sidoarjo, these are examples of the lack of corporate responsibility causing natural damage. Major corporate ethical disasters impacting on the environment, human resources, and the community have heightened the demand for public firms to voluntarily with their corporate social responsibility disclosure (CSRD) activities to stakeholders (Freeman, 1984). As a result, corporate social responsibility has become an important issue in the business world (Waller & Lanis, 2009).

Foster (1986) and Gitman (2009) stated that analysis of financial statement information useful for decision making can be done by using financial ratios. The disclosure is divided into two, namely the disclosure of environmental information and the disclosure of the environmental management system. The research found the

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average disclosure score of environmental information is relatively low at only 8.3 of the maximum score of 30. Similarly, the average disclosure of environmental management system is also low, ie 2.6 of the maximum score 7. Low levels of social responsibility disclosure Companies in Indonesia were also raised by Darwin (2006) who found that only about 10% of public companies in Indonesia disclose environmental and social information in the 2004 annual report. Agency theory by Meckling (1976) suggests that corporate management with a high degree of leverage will reduce the disclosure of social responsibility it creates in order not to be in the spotlight of the debtholders.

Bayoud, Kavanagh dan Slaughther (2012) revealed that there is a positive relationship between company age and industry type and the level of CSRD. Hartanti (2007) conducted a social disclosure study in an annual report using a list based on the Global Reporting Initiative (GRI) Guidelines using the content analysis, comparing social disclosure in annual reports with a list of social disclosures as a reference. Baridwan (2010) explained that audited annual report can be used as a useful basis for decision-making, one way that can be taken is to create disclosure criteria. Leverage is said to have no effect on the broad disclosure of corporate social responsibility in research Sembiring (2005) and Anggraini (2006). The size of the company is said to have an effect on the extent of corporate social responsibility disclosure by Hackston & Milne (1996), Fitriani (2001) and shows a positive relationship between the size of the board of commissioners and the disclosure of corporate social responsibility.

Based on these studies, this research intended to re-examine the variables used in the previous research, ie whether the company's financial performance as liquidity profitability and leverage as well as firm size, board commissioner, director and audit committee size, ownership public and company age as factors affecting the disclosure of corporate social responsibility carried out by member sustainable reporting companies listed on the Indonesia Stock Exchange in 2014 and 2015.

The benefits of this research can be a base for other researchers to implement the knowledge gained in this research and to find out what factors influence the level of social responsibility disclosure made by combined companies from different industry. Provide information for companies or corporate owners and management on the role and benefits of social disclosure in order to make policies and decisions related to maintaining the company's financial performance. This research also can give information for stakeholders and knowledge to stakeholders such extent needed of social disclosure made by company in the annual report of the company as a consideration in decision making.

RESEARCH METHODOLOGY

The financial performance using profitability, leverage, and liquidity Company size variable is a collection of ideas suggested by Rahman & Widyasari (2009), Watts & Zimmerman (1986), Hackston & Milne (1996), Adams (2002). These previous research explained that company size has something to do with CSR disclosures. Institutional ownership as independent variable used in this research is constructed from Bowen (2000) Coffey & Fryxell (1991), Graves & Waddock (1994), Fauzi et al. (2007), Saleh et al. (2010) and Cox et al. (2004).

The research framework for determinant factors affecting the disclosure of social responsibility concluded into 9 hypotheses of each independent variable or variable X's have relationship with dependent variable or variable Y or CSR disclosure in this study. The research framework is illustrated in Figure 1.

As defined by Siagian (2000), this research using secondary data, with purposive sampling method and requirements that obtained through observatory non-participant as described by Sugiyono (2008). The population object of this study is the annual financial statements and sustainability report of listed companies listed in the Indonesia Stock Exchange (BEI) from 2014 and 2015. Population data in this study obtained by classification through the global reporting database country Indonesia 2015 consisting of 45 companies which fall into 22 companies with implementation of GRI 4.

The dependent variable in this study is the level of disclosure made as measured by how many items of disclosure have been disclosed or presented in the company's annual report compared to the category of disclosure index based on the Performance Indicator Structure in the Framework of Global Reporting Initiative Guidelines G4 2013.

In identifying the level of disclosure Conducted by listed companies in Indonesia, researchers use the following techniques: Conducting content analysis by assessing the tabulation data from sustainability report which already classified by code known of social responsibility performed during the year.

Calculate ratio by percentage of the score compare to maximum score to figure

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the disclosure was made. Then the scores are summed for each company to obtain a disclosure score for each company. The score is calculated by the E-score formula. How E-score's calculation is:

$$Escore = \sum \frac{score_{ij}}{\max(score_i)}$$

Information:

Score$_{ij}$: Total actual disclosure done each company

Max (score$_i$): The maximum value of the required disclosure.

In this study using the classical assumption test that the equation model used can meet the important assumptions of a multiple linear regression model. The classical assumption test used in this study are panel data of data by Gujarati (2006) to test the compatibility of panel of data year 2014 and 2015, the research tested the model into fixed and random model with rules that a regression can be performed, and test normality, multicollinearity, heteroscedasticity, autocorrelation, F test, t test, and R square analysis using Eviews 8 software.

RESULTS AND DISCUSSION

From the observed companies, the statistic growth on this disclosure of CSR using index G4 Guidelines for year 2014 to 2015 are as follows.

Table 1. Calculation Score Results by Category

Remarks	Code	Total Score	Year 2015	% CSRD	Year 2014	% CSRD
Strategy and Analysis	G1-G2	44	36	82%	35	80%
Organizational Profile	G3-G16	308	308	100%	304	99%
Identified Material Aspects and Boundaries	G17-G23	154	154	100%	146	95%
Stakeholder Engagement	G24-G27	88	88	100%	88	100%
Report Profile	G28-G33	132	131	99%	130	98%
Governance	G34-G55	484	49	10%	90	19%
Ethics and Integrity	G56-G58	66	23	35%	28	42%
Disclosures on Management Approach	DMA	22	17	77%	14	64%
Economic	EC1-EC9	198	96	48%	91	46%
Environmental	EN1-EN34	748	281	38%	261	35%
Social	LA HR SO PR	1056	371	35%	304	29%
Total		**3300**	**1554**	**47%**	**1491**	**45%**

Source: Researcher's data (2017)

Companies have high compliance with the disclosure of organizational profile (G3-G16), disclosure of identified material aspects and boundaries (G17-G23), and stakeholder engagement (G24-G27) as shown in table 1. The disclosure organizational profile contains the message from top management and key impacts, risks, and opportunities. The disclosure of identified material aspects and boundaries covers operational areas, scale of organization, employees, precautionary approach or principle, and report content and the aspect boundaries. The disclosure of stakeholder engagement consists of the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process and key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

Economic disclosures consist of aspects of economic performance, market presence and indirect economic impacts. The most common disclosure is the disclosure of the economic performance aspects of the direct economic value generated and shared by the company, including revenues, operating costs, employee repayment, donations, and other public investments, retained earnings, and so on. The economic disclosure increased from total score 91 items in 2014 to 96 items in 2015, which the coverage increased from 46% to 48% from all topics in G4 economic disclosure.

From table 2 and table 3 below, the company with most disclosed on the most are changing and differs from year 2014 and 2015. Companies that do a lot of disclosure in the field of environment in 2014 are SMGR, INTP and INCO with E-score above 60%. SMGR (PT Semen Indonesia Tbk.) and INTP (PT Indocement Tbk.) in cement industry and INCO (PT Vale Indonesia Tbk.) on mining industry.

Table 2. Company Disclosure Item Scoring by GRI Category Year 2014

FIRM CODE	G1-G2	G3-G16	G17-G23	G24-G27	G28-G33	G34-G55	G56-G58	DMA	EC1-EC9	EN1-EN34	LA HR SO PR	TOTAL	E-score
ADHI	2	14	7	4	6	0	0	0	2	4	4	43	29%
ANTM	1	14	7	4	6	1	1	1	2	24	20	81	54%
AALI	2	14	1	4	6	1	3	0	5	22	25	83	55%
ASII	2	14	7	4	6	1	1	1	6	10	17	69	46%
UNSP	2	14	7	4	6	1	1	1	3	9	9	57	38%
PTBA	2	14	7	4	4	0	0	1	3	7	4	46	31%
BUMI	2	14	7	4	6	1	1	1	3	7	4	50	33%
INDY	1	10	5	4	6	1	0	0	2	2	6	37	25%
ITMG	1	14	7	4	6	0	0	0	0	0	0	32	21%

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INTP	2	14	7	4	6	16	2	1	7	22	18	99	66%
PTRO	1	14	7	4	6	1	1	1	3	7	6	51	34%
PGAS	1	14	7	4	6	1	1	0	5	14	25	78	52%
JSMR	2	14	7	4	6	1	1	1	6	10	17	69	46%
MEDC	2	14	7	4	6	4	1	0	3	20	6	67	45%
SIMP	1	14	7	4	6	1	2	1	0	18	27	81	54%
TINS	1	14	7	4	6	1	1	0	7	25	19	85	57%
SMGR	2	14	7	4	6	19	3	1	7	19	22	104	69%
TLKM	1	14	7	4	6	1	1	0	6	5	21	66	44%
UNTR	2	14	7	4	6	1	1	1	6	10	17	69	46%
INCO	2	14	7	4	6	21	3	1	6	16	12	92	61%
WIKA	2	14	7	4	6	16	3	1	7	6	22	88	59%
EXCL	1	14	7	4	6	1	1	1	2	4	3	44	29%
TOTAL	2	14	7	4	6	22	3	1	9	34	48	150	100%

Source: Researcher's Data (2017)

All companies disclose aspect of economic performance because they are part of the financial statements in conveying data and information relating to the performance and financial position achieved by the company in that period. Disclosures in economic performance are also expressed by many companies are financial implications and other risks and opportunities for corporate activity in passing economic changes. Disclosure of economic aspects is related to the survival of the company because it is information needed by stakeholders in decision making. Items disclosed by 22 samples mostly on direct economic value generated and distributed, ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation and significant indirect economic impacts, including the extent of impacts.

The second most numerous G4's additional disclosures are environmental aspects that the company disclosed in 2014 and 2015 was the disclosure of actions taken by companies to reduce the environmental impact of products and services. Energy savings for development and efficiency are also a disclosure that represents many aspects of the environment in 2014 and 2015. Other aspects disclosed are emissions, effluents and waste thing, biodiversity, water, and compliance.

The most widely disclosed in terms of Environment and Social aspect of CSRD of 2014 are work practices are training and education through a company-run program for management skills and lessons that support employee loyalty and assist in managing careers. Disclosure of aspects of responsibility to the company's products disclose about the type and information of the company's products in accordance with the procedures and practices of the company related to customer satisfaction. The Company considers that given the information about the products and actions taken by the company that measure customer satisfaction can indicate that the company is concerned about customer safety and security. Social aspect disclosed are labor practices and decent work, labor management relations, occupational health and safety, and diversity and equal opportunity.

As shown in table 3, in 2015, PTBA, AALI, ANTM and TINS are the top 4 of companies with E-score above 60%. Based on this data, the high quantity of disclosures was made by these company's actions due to the nature of their business in exploiting the nature, PTBA (PT Bukit Asam Tbk.) 2015's performance to deduct the pollution of iron and oil waste (EN1-EN34), AALI (PT Astra Agro Lestari Tbk.) business in plantation industry compensate the landbank and conserving biodiversity (EN1-EN34), ANTM (PT Aneka Tambang Tbk.) in mining industry in sustainability report entitled Prioritizing Sustainability, Strengthening Future Business emphasizing with 28 social items showed ANTAM's sustainability strategy is implemented in line with business development up to post-mining and exit strategy in each of its business units. TINS

Table 3. Company disclosure item scoring by GRI G4 in each category year 2015

FIRM CODE	G1-G2	G3-G16	G17-G23	G24-G27	G28-G33	G34-G55	G56-G58	DMA	EC1-EC9	EN1-EN34	LA HR SO PR	TOTAL	E-score
ADHI	2	14	7	4	6	0	0	0	2	2	2	39	26%
ANTM	1	14	7	4	6	4	2	1	6	29	28	102	68%
AALI	2	14	7	4	6	0	3	0	4	26	38	104	69%
ASII	2	14	7	4	6	1	1	1	2	4	20	62	41%
UNSP	2	14	7	4	6	1	1	1	3	9	11	59	39%
PTBA	2	14	7	4	6	1	1	0	9	34	45	123	82%
BUMI	2	14	7	4	6	1	1	1	3	9	11	59	39%
INDY	2	14	7	4	6	0	0	0	2	2	5	42	28%
ITMG	1	14	7	4	6	1	1	1	4	16	10	65	43%
INTP	2	14	7	4	5	2	1	1	8	20	13	77	51%
PTRO	1	14	7	4	6	1	1	1	2	6	6	49	33%
PGAS	1	14	7	4	6	1	1	1	5	12	23	75	50%
JSMR	1	14	7	4	6	1	1	1	4	8	11	58	39%
MEDC	2	14	7	4	6	4	1	0	4	20	8	70	47%
SIMP	1	14	7	4	6	1	1	1	2	16	22	75	50%
TINS	2	14	7	4	6	9	1	1	6	17	28	95	63%
SMGR	2	14	7	4	6	12	1	1	7	11	14	79	53%
TLKM	2	14	7	4	6	1	1	1	6	3	18	63	42%
UNTR	1	14	7	4	6	1	1	1	4	8	11	58	39%
INCO	2	14	7	4	6	3	1	1	5	19	21	83	55%

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WIKA	2	14	7	4	6	3	1	1	5	7	11	61	41%
EXCL	1	14	7	4	6	1	1	1	3	3	15	56	37%
TOTAL	**2**	**14**	**7**	**4**	**6**	**22**	**3**	**1**	**9**	**34**	**48**	**150**	**100%**

Source: Researcher's Data (2017)

The descriptive statistics of independent variables for year 2014 and 2015 of the sample companies are as Table 4.

From 44 observation samples above we note that the values for asymmetry or skewness and the values for kurtosis between -3 and +3 are considered acceptable in order to prove normal univariate distribution (George & Mallery, 2010). According to Ghozali (2011). The data variables also have Jarque-Bera amount of > 0.5 showing the distribution of variables are normal.

Table 4. Descriptive Statistics of Independent Variables

	_AUD	_DIR	_KOM	AGE	CR	DTE	NPM	SIZE	KEP_PUB
Mean	3.613636	6.227273	6.659091	40.09091	1.632500	0.829545	0.100909	7.556364	0.359545
Median	3.000000	6.000000	6.000000	40.00000	1.560000	0.480000	0.065000	7.470000	0.345000
Maximum	6.000000	10.00000	11.00000	74.00000	4.930000	4.040000	0.780000	9.460000	0.740000
Minimum	3.000000	4.000000	5.000000	14.00000	0.100000	0.000000	0.000000	6.490000	0.170000
Std. Dev.	0.868463	1.361662	1.379976	14.39124	1.053230	0.859886	0.131676	0.579110	0.146984
Skewness	1.261644	0.923623	1.920072	0.364497	1.445387	2.228975	3.239761	1.477945	0.969998
Kurtosis	3.650360	2.423655	3.521166	2.620528	1.630702	0.653113	0.110704	2.173166	3.599369
Jarque-Bera	12.44824	9.971699	49.76640	1.238289	28.00813	76.12875	441.8203	34.47815	7.558520
Probability	0.001981	0.006834	0.000000	0.538405	0.000001	0.000000	0.000000	0.000000	0.022840
Sum	159.0000	274.0000	293.0000	1764.000	71.83000	36.50000	4.440000	332.4800	15.82000
Sum Sq. Dev.	32.43182	79.72727	81.88636	8905.636	47.69962	31.79439	0.745564	14.42082	0.928991
Observations	44	44	44	44	44	44	44	44	44

Source: Researcher's data (2017)

This research also aims to the fulfillment of classic assumption test to achieve BLUE or Best Liniear Unbiased Estimator according to Ghozali (2011). Normality test done with Histogram test and the Jaque Berra showed that the value of Asymp. Sig is 0.0000, which is less than the value α = 0.05. Thus, in the independent variables can be stated that the dissemination of data satisfies the assumption of residual normality. The result of heteroscedasticity Glejser test on each regression of independent variable with the residual absolute dependent variable has sig value 0.002 > 0.05 which means the linear equation used in this research does have homoscedasticity. The Durbin-Watson (DW) is utilized to test the independent errors (autocorrelation), at a level of significance of 0.05. The result of the Durbin-Watson d value can be a range from 0 - 4. If d value of the Durbin-Watson equals 2, this leads to the independent error. For accuracy, the Durbin-Watson d value that is greater than 3 or less than 1 is definitely reason for concern (Field, 2009). The Durbin-Watson (DW) value 1.826087 in table 5 test that is between DU 2.03095 and DL 1.07390 at error rate 5% from 44 sample in 10 variables. Based on DW results therefore autocorrelation does not present a problem with the data. To detect multicollinearity, the test using the value of the coefficients that is not higher than 0.8 or 0.9 value (close to 1) shown in Table 5. So, there are no symptoms of multicollinearity among independent variables in the model. Based on these tests results, the classic assumption tests required for regression model BLUE have been fulfilled.

Table 5. Correlation Results

	_AUD	_DIR	_KOM	AGE	CR	DTE	NPM	SIZE	KEP_PUB
_AUD		0.115313	0.023374	0.120101	-0.063753	-0.295462	0.249212	0.058641	0.102437
_DIR			0.326847	0.071314	0.156888	-0.132985	0.092208	0.001367	0.273589
_KOM				0.253365	0.215968	-0.221595	0.077255	0.246639	0.167759
AGE					-0.090646	0.288116	-0.199224	-0.143248	0.639990
CR						-0.385570	0.159487	-0.031143	-0.274014
DTE							-0.436638	0.236759	0.360216
NPM								0.055367	-0.044677
SIZE									-0.063241
KEP_PUB									

The regression model tested using Hausman test and Chow test. From the Hausman test, p value is 0.000. Value P Value 0.000 less than 0.05 then receive H1 which means the best method that must be used is fixed effect from the random effect. The fixed effect method, using the ordinary least square principle, creates a constant intercept for each cross section and the time assumption is considered less realistic. Fixed effects assume that differences between individuals or cross sections can be accommodated from different intercepts. In order to estimate the fixed effects model with different intercept between individuals, Eviews using the dummy variable technique or the Least Squares Dummy Variable (LSDV) technique.

Then proceed with the test Chow test shows the selection of the best method is the common effect of the fixed effect. From the Chow test, the common effect model does not take into account the time dimension as well as the individual dimension or cross section, so it can be assumed that the behavior of the individual is not different in different periods. This means that the model, are better at fixed effect of changes using the same variables measurement compared to random effect of changes.

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The quantitative result illustrates the perceived significant effect of company cuurrent ratio, debt to equity, size, on levels of CSRD can e ranked as This study'sresult of the regression model as follows:

$$CSRD = 5.446327 - 0.0446327 * CR + 0.034410 * NPM - 0.002569 * DTE - 0.164720 * SIZE - 0.061197 * KOM - 0.052964 * DIR + 0.068811 * AUD - 0.439393 * KEP\_PUB + 0.044714 * AGE$$

The value of R^2 in Table 6 shows the value of 0.778121. The value of R^2 means 77.8% variation of corporate social responsibility disclosure can be explained by seven independent variables used in research model consisting of current ratio, gross profit margin, debt to total asset, firm size, board of commissioner, directors, audit committee, age and public ownership. While the rest of 22.2% explained by other causes outside the research model.

Table 6. Coefficient Results using Pooled / Panel Least Square Method and Fixed Effect

Dependent Variable: CSR
Method: Panel Least Squares
Date: 07/12/17 Time: 20:21
Sample: 2014 2015
Periods included: 2
Cross-sections included: 22
Total panel (balanced) observations: 44

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.446327	1.828336	0.244117	0.8107
CR	-0.044553	0.082421	-0.540553	0.0473
DTE	0.034410	0.117454	0.292968	0.0078
NPM	-0.002569	0.313615	-0.008192	0.0236
SIZE	0.164720	0.153350	1.074144	0.0039
_KOM	-0.061197	0.064838	-0.943847	0.3613
_DIR	-0.052964	0.084258	-0.628597	0.5397
_AUD	0.068811	0.094784	0.725973	0.4798
KEP_PUB	-0.439393	1.574545	0.992357	0.0379
AGE	0.044714	0.045058	0.348794	0.0028

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.778121	Mean dependent var	0.461136
Adjusted R-squared	0.318516	S.D. dependent var	0.136147
S.E. of regression	0.112392	Akaike info criterion	-1.315147
Sum squared resid	0.176847	Schwarz criterion	-0.098655
Log likelihood	58.93324	Hannan-Quinn criter.	-0.864013
F-statistic	1.693019	Durbin-Watson stat	1.826087
Prob(F-statistic)	0.009695		

Source: Researcher's Data (2017)

The liquidity variable measured by the current ratio has a positive effect in accordance with the research hypothesis but the effect is significant with the value on CSRD. Companies that have good financial condition will tend to disclose more information because they want to show that the company is credible. This research results support the result of Gunawan (2000), Marwata (2001). Based on Roitto (2013), that liquidity ratio has positive effect to CSRD and in-line with quality of annual report disclosures.

Profitability measured by gross profit margin indicates positive relationship with the research hypothesis but does not significantly affect the CSRD. This is related to the agency theory that increased profits will make company disclose more information and in line with research result of Gakenia (2011), Sembiring (2005) and Bayoud, Kavanagh dan Slaughther (2012) that companies with high profitability tends to show more social information or have additional funds to conduct the legitimacy act to environment and social.

Leverage variable measured by debt to total assets has positive influence with research hypothesis but the effect is not significant on the disclosure of social responsibility. When company has high degree of leverage, the company will continue to disclose broader social information, with accounting's aim for security or collateral on loan that has been given by the creditor. This result is in line to Sembiring (2005), Gunawan (2003), Fitriani (2001) and Anggraini (2006) that leverage have positive but not significant effect to CSRD.

Large companies disclosed more CSRD information than smaller company due to the differences in size. stakeholders in the large companies can influence the management of these companies for disclosing CSRD information compared with others. Moreover, they believe that the management of large companies realized the importance of CSRD more than small companies. Companies with relatively small resources may not have ready-to-eat information as large companies, so there is a need for a relatively large fee to be able to perform a complete disclosure that can be done by large companies. The firm size variables as measured by market capitalization proved to have a significant positive effect to CSRD. This research result is consistent with Hackston dan Milne (1996), Sembiring (2005), Kumalasari (2008).

Board of commissioners showed an insignificant negative relationship. Board of commissioners does not have a positive relationship to the level of disclosure of social responsibility, it is not significant to say that the size of the board of

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commissioners within a company does not make the CSRD increase. Public ownership has insignificant influence with negative coefficient indicates that the ownership of outside or public shares for companies in Indonesia represents only a small portion of the votes of the total shareholders. This result in-line with Marwata (2001), but proved otherwise from Coffey & Fryxell (1991) with positive relationship that public as external party, despite of its large portion of shares, public society is a separate individual that only has a low power in pressuring management to perform social disclosures.

Age, size and public ownership showed un-inversed result from Sembiring (2005), Hackston & Milne (1996), and Bayoud, Kavanagh dan Slaughther (2012), that longevity of the business gives the company expertise and adequate competence to improve the preparation of information through the annual report from market needs for this information and its impact on company performance and thus did positive significantly affect the CSR.

Based on this research, the result of positive relationship on the variables affecting the CSR disclosures in the model was inline with previous research. This research re-analyze the problem of previous research with different measurements on the variables of financial performance, size, public ownership and size of board of commisioner, that can be used as base to further research or anwer future the problem of corporate social and resposibility disclosures in listed companies. Limitation of this research only measure using current ratio for liquidity, net profit margin for profitability, and debt to equity for leverage as financial performance parameter to tell the CSR disclosure had contributed using different measurement than previous research.

CONCLUSIONS

In decades, the awareness of public companies to perform CSR disclosures are increasing. Many forces are encouraging companies to be more transparent in their actions involving social and environmental aspects. As disclosing becomes more common, standards are being formed to give guidelines.the independent variables used in this research such as liquidity measured by current ratio, profitability measured by gross profit margin, leverage measured by debt to total assets, the board of commissioner, directors, and audit committee composition, and portion of public ownership and company agedid have influance to CSR disclosures.

This research reconfirms the findings on previous research Roitto (2013), Fitriani

(2001), Gakenia (2011), and Hartanti (2007), that using three variables of financial performance such as liquidty, profitability and leverage as parameters of the company can affect the companies CSR disclosures. Board of commisioner, directors and audit committee as measured by ratio and amount of the board showing good corporate governance in the companies did have influence but not significant to financial statement CSR disclosure as previous research. The variable of public ownership have influence to financial statement disclosure including CSR disclosure but not significant, same as previous research. Size of the firm had enough evidence to show a significant positive effect on CSRD. Company age showed positive coefficients that increased CSRD is performed by old company that had aware the effect of level of environmental disclosure to sustainability.

Based on the result of this research, the company can monitor and assess the level of corporate social responsibility disclosure that is not limited only to financial performance conditions, or the size of the board of commissioners and the amount of public ownership to perform corporate social responsibility. Other research can add other variables such as corporate governance extends the research period to panel methods and use other criteria to measure the variables.

In conclusion, CSR has an important place in the modern corporate world. It is an indispensable force in guiding corporations to a more ethical and humane direction without destruction of its value. Whether the motivation to promote transparency is nowadays mainly an outcome of outside encouragement, the push is needed to ensure a better tomorrow for us, mankind.

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